

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
MEDICAL ASSISTANCE ADMINISTRATION  
Olympia, Washington**

**To:** Pharmacies  
All Prescribers  
Managed Care Plans

**Memorandum No: 05-62 MAA**  
**Issued:** June 30, 2005

**From:** Douglas Porter, Assistant Secretary  
Medical Assistance Administration (MAA)

**For Information Call:**  
(800) 562-6188

**Subject: Prescription Drug Program: Drug Dispensing Fee Increase**

**Effective for dates of service on and after July 1, 2005**, the Medical Assistance Administration (MAA) will implement a legislatively appropriated one (1.0) percent vendor rate increase for drug dispensing fees.

### **Rate for Drug Dispensing Fees**

The 2005 Washington State Legislature appropriated a vendor rate increase of one (1.0) percent for the 2006 state fiscal year. Drug dispensing fees have been adjusted to reflect these changes.

The new drug dispensing fees are:

**Effective 7/1/05**

High volume pharmacies (over 35,000 Rx/yr)	\$4.24/Rx
Mid-volume pharmacies (15,001-35,000 Rx/yr)	\$4.56/Rx
Low volume pharmacies (15,000 Rx/yr and under)	\$5.25/Rx
Unit dose systems	\$5.25/Rx



**Note:** Volumes are based on **total** number of prescriptions per year, regardless of payer.

Bill MAA your usual and customary charge for the product you dispense. Reimbursement will be the lower of the billed charge or the maximum allowable fee.



**Note:** There are no changes to MAA's reimbursement for drug ingredient costs at this time.

### **Billing Instructions Replacement Pages**

Attached are replacement pages I.7/I.8 for MAA's current *Prescription Drug Program Billing Instructions*.

## MAA's Provider Issuances

To view and download MAA's numbered memoranda and billing instructions electronically, visit MAA's website at <http://maa.dshs.wa.gov> (select the *Billing Instructions/Numbered Memoranda* link).

To request a free paper copy from the Department of Printing:

1. **Go to:** <http://www.prt.wa.gov> (Orders filled daily.)
  - a) Click *General Store*.
  - b) If a **Security Alert** screen is displayed, click **OK**.
    - i. Select either *I'm New* or *Been Here*.
    - ii. If new, fill out the registration and click *Register*.
    - iii. If returning, type your email and password and then click *Login*.
  - c) At the **Store Lobby** screen, click *Shop by Agency*. Select *Department of Social and Health Services* and then select *Medical Assistance*.
  - d) Select *Billing Instructions, Forms, Healthy Options, Numbered Memo, Publications, or Issuance Correction*. You will then need to select a year and the select the item by number and title.
2. **Fax/Call:** Dept. of Printing/Attn: Fulfillment at FAX (360) 586-6361/ telephone (360) 586-6360. (Orders may take up to 2 weeks to fill.)

## Tax

Tax is computed on items determined to be taxable according to the Washington State Department of Revenue.

## Dispensing fees

[Refer to WAC 388-530-1450]

MAA uses a three-tier dispensing fee structure with an adjusted fee allowed for pharmacies that participate in the Modified Unit Dose and/or True Unit Dose programs.

Listed below are the MAA dispensing fee allowances (**effective 7/1/05**) for pharmacies:

- High-volume pharmacies (over 35,000 Rx/yr) .....\$4.24/Rx
- Mid-volume pharmacies (15,001-35,000 Rx/yr) .....\$4.56/Rx
- Low volume pharmacies (15,000 Rx/yr and under) .....\$5.25/Rx
- Unit dose systems .....\$5.25/Rx

A provider's dispensing fee is determined by the volume of prescriptions the pharmacy fills for MAA clients **and** the general public as indicated on the MAA annual prescription count survey completed by the pharmacy.

Return the Pharmacy Prescription Volume  
Report to:

Provider Enrollment Unit  
Division of Customer Support  
PO Box 45562  
Olympia, WA 98504-5562

**REMEMBER** to include MAA clients **and** the general public in your total prescription count.



**Note:** Sale or transfer of business ownership will invalidate your Core Provider Agreement. The new owner must call the Provider Enrollment Unit (see Important Contacts) to acquire a Core Provider Agreement.

## Payment

Bill MAA only **after** you provide a service to an eligible client. Delivery of a service or product does not guarantee payment. For example, MAA does not make payment when:

- The request for payment is not presented within the 365 day billing limit.
- The service or product is not medically necessary or is not covered by MAA;
- The client has third party coverage and the third party pays as much as, or more than, MAA allows for the service or product;
- The service or product is covered in the managed care capitation rate;
- It is included in the Nursing Home per diem rate; or
- The client is no longer eligible for Medical Assistance.